

# Montana's Basic Per STUDENT Funding Entitlement

History:	House Bill 667, 1993, in response to Loble Decision in Helena v. Montana
Purpose:	Initially to balance the funding formula and avoid small school district penalties Has not changed significantly since its original design.
Montana Code:	20-9-306 MCA et al
Educationally Relevant Factors	We currently only provide a basic "student entitlement" for each student in each school district in Montana, at a decreasing rate of \$0.20 elementary up to 1,000 students and \$0.50 per middle/high school student up to 800 ANB. That makes each student worth less than the 1st and results in "bottom end" students being funded at \$200 to \$400 less than the first student in the district (causing a total underfunding of as much as \$20 million in the largest school district in the state).
Proposal	Request Attorney General opinion as to constitutionality
Solution	Remove the decreasing portion of the formula (the "decrement") so that each school district receives an equal basic per student (per ANB - "Average Number Belonging") entitlement.
Costs	State and Local Funding Dropout rate increases, graduation rate decreases in larger school districts
Benefits	AG opinion will confirm commonly held belief by both small and large school district educators and economists that each student should be entitled to a "basic" funding entitlement and without it the high school with more than 200 students cannot provide equal educational opportunity for every student. In addition, since teacher time per student is the most significant positive factor in student achievement, there is NO ECONOMY OF SCALE in the classroom.



# Base Budget (80%) Funding for All Budgeted Funds

History:	House Bill 667, 1993, in response to Loble Decision in Helena v. Montana
Purpose:	Initially to provide an equitable state share of school funding for the General Fund Judge Loble told us to equalize the general fund first then equalize the other budgeted funds.
Montana Code:	20-9-308 MCA et al
Educationally Relevant Factors	The state share of the budgeted General Funds of Montana's public school districts was about 71% in 1993. It has decreased over the years to about 60% of the General Funds. When all of the Budgeted School Operating Funds are considered, the state's share is less than 45%. AG opinion will confirm commonly held belief by both small and large school district educators and trustees that each school district should be entitled to the mandated "base budget" which the State Legislature defined as 80% of the maximum budget allowed by the State Legislature.
Proposal	Request Attorney General opinion as to constitutionality
Solution	Require the State of Montana to fund each budgeted fund at the 80% base budget level
Costs	Education costs versus corrections and welfare costs Dropouts versus inmates Economic development versus social welfare
Benefits	All Montana students will be protected from funding inequities caused by local tax base deficiencies. All Montana students will be protected from spending deficiencies caused by base budget underfunding. All Montana taxpayers will be protected from tax inequities and overcharges caused by lower local tax bases per student.



# *Fund the National Per Student Average of \$10,499 as the basic share from the State of Montana*

History:	None, except for constant comparisons to neighboring and other state per student amounts.
Purpose:	Initially to provide an equitable rational and easily identifiable state share of school funding for all Budgeted Funds To avoid constant legislative and executive micro-management at the State level since the Montana Constitution requires the State to "fund" public schools and the local School Board to "run" (supervise) public schools.
Montana Code:	Proposed New Funding Statutes
Educationally Relevant Factors	Legislatures and Governors and Congressmen continue to try to find the best way to educate our students. But, in fact, the Montana Constitution has already answered that question by reserving primary and ultimate responsibility to run (supervise) the schools to the local school board. At the same time the people of Montana, through the Montana Constitution, reserved their right and their responsibility of funding a basic system of public schools to themselves -- the people of the State of Montana!
Proposal	Consider Legislation
Solution	Montana shall fund the basic system of public schools at the national per student average (\$10,499) That funding share for the state shall be reduced to the graduation rate of the local school or school district. The basic state funding lost by the graduation rate being less than 100% shall be provided (required) locally The school district may exceed the basic system (base budget) by as much as 25% of the national average.
Costs	Increase to the national average plus amounts approved locally.
Benefits	The national per student average funding/spending is the most rational indicator of an adequate amount to be spent per student. By allowing the state to avoid funding students who do not graduate, local taxpayers are encouraged financially to hold their educators and students and school trustees accountable --- this would appear to be true "performance based funding" of Montana's public schools.

Conrad Stroebe  
stroebefam@aol.com

9/15/2011

Fund the National Average  
School\_Funding\_Montana\_Papers(1)



# *Allow a School Board in every School*

## History:

25% of Montana's students are in 75% of its school buildings  
75% of Montana's students are in 25% of its school buildings

## Purpose:

Improve performance through improved on-site governance.

## Montana Code:

Proposed New Performance Statutes

## Educationally Relevant Factors

Legislatures and Governors and Congressmen continue to try to determine the best way to educate our students. But, in fact, the Montana Constitution has already answered that question by reserving primary and ultimate responsibility to run (supervise) the schools to the local school board.

At the same time the people of Montana, through the Montana Constitution, reserved the right and responsibility to run (supervise) the public school to themselves through the their local school (not district) board. Absentee governance does not work best from Washington DC or Helena or downtown Billings. "It takes a village to educate a child"

## Proposal

Consider legislation.

## Solution

Allow each school neighborhood (school boundary area) to elect to govern themselves by forming a school board. If state funding is tied to graduation rates then administrative waste and duplication will be avoided by the oversight of the truly "local" school trustees and their "local" taxpayers.

## Costs

Minimal since school boards are volunteer but equity does cost money, whether state or local.

## Benefits

Increased community involvement. Governance is most effective the closer it is to the governed. Billings' 6 high schools (including Lockwood, Crossroads and the Career Center), 38 Trustees instead of just 9. My school is almost always better than the school across town or across the county or across the state. My kids are more important, and therefore, more closely watched and taught and mentored and coached, than the kids that I don't come in contact with every day or week. Schools become the economic development structures of our Montana communities. In our rural communities, the school board understands and promotes that as much as possible -- but in our urban school districts the local PTA or neighborhood group has little or no voice in the "school district" board decisions since the board never meets in their school (neighborhood).

Conrad Stroebe

stroebefam@aol.com

9/15/2011

"School" Board  
School\_Funding\_Montana\_Papers(1)



latimes.com/news/local/la-me-schools-fund-20110915,0,3096259.story

**latimes.com**

## Effort launched to raise \$200 million for L.A. public schools

**The superintendent and a Hollywood philanthropist are collaborating on the fund. Donations could support districtwide initiatives, such as a new training program for principals, among other things.**

By Howard Blume, Los Angeles Times

September 15, 2011

Los Angeles schools Supt. John Deasy and Hollywood philanthropist Megan Chernin have launched an effort to raise \$200 million over five years to benefit local public schools.

The collaboration, in the works for several months, was announced in a letter signed by Deasy, Chernin and Los Angeles Mayor Antonio Villaraigosa.

The letter strikingly lists failures of the Los Angeles Unified School District but also asserts that "for the first time in the District's history, the conditions for bold change are present.... The time is now to harness this potential and it is our responsibility to do so."

Besides Chernin, the nascent board of the Los Angeles Fund for Public Education includes education philanthropist Casey Wasserman — who has given directly to L.A. Unified in the past — as well as former educator and artist Nancy Marks and Jamie Alter Lynton, a former journalist who is married to the chief executive of Sony Pictures Entertainment.

Donations could support districtwide initiatives, such as a new training program for principals, among other things. They could also bring to the district effective approaches used at charter schools, said spokeswoman Amanda Crumley.

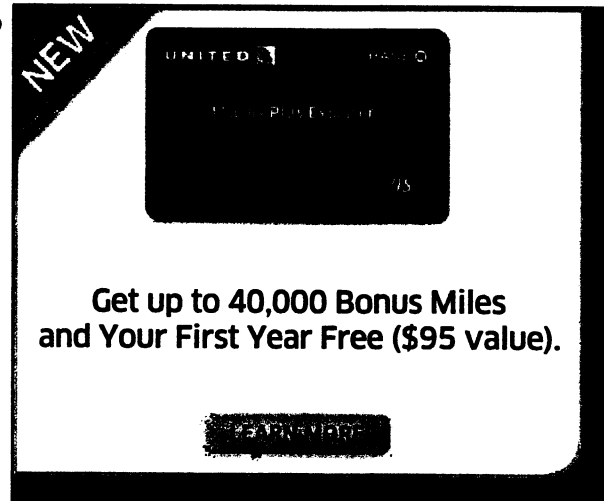
One selling point for participants is that the elected L.A. Board of Education would have no direct control over the money.

"As you know, the innovation Los Angeles' students need cannot start within a rule-bound bureaucracy," the letter states.

Key education donors have refused to give much, if anything, to L.A. Unified because they question how well the nation's second-largest school system would use the money.

L.A. Unified, like other districts, has been hard hit by state funding shortfalls, resulting in thousands of layoffs, larger class sizes and a shorter school year.

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Deasy, who became superintendent in mid-April, has made pursuing outside support a high priority.

Before joining L.A. Unified a year ago, Deasy was a top official at the Seattle-based Bill & Melinda Gates Foundation, the world's largest philanthropic organization and one that has focused on education.

Deasy also attended the superintendents academy of local philanthropist Eli Broad, whose foundation, like the Gateses', has given little to L.A. Unified. The Broad and Gates foundations have generally awarded grants to Los Angeles-area charter schools instead of the L.A. schools system. Charters are public schools that are independently run.

The presence of longtime education philanthropist Chernin, who is married to producer Peter Chernin, offers a potential pipeline to Hollywood, whose leading figures typically have little involvement in public schools. Recently, Chernin served as co-founder and board chairwoman of L.A.'s Promise, which manages two district high schools and just took over one middle school. In her new capacity, she intends to remain on the board of L.A.'s Promise but step down as chairwoman, a spokesperson said.

Chernin and other members of the L.A.'s Promise board became actively involved this year in a school board race, hosting a fundraiser for candidate Luis Sanchez. He narrowly lost to Bennett Kayser, who was backed by the L.A. teachers union.

[howard.blume@latimes.com](mailto:howard.blume@latimes.com)

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# Reform

*Why every community should start new small schools*

## It's All About Size

**E**ven as the war on terrorism occupies the hearts and minds of our nation's leaders and policy makers, education remains a top priority for people across the country. And ensuring that schools meet the needs of all students is a daunting obligation, one that school boards should not shoulder alone. Communities as a whole need to examine their portfolio of school options and ask themselves: Do all students have an opportunity to achieve at high levels?

Many of our schools, particularly large secondary schools, are based on a one-size-fits-all model. But expanded offerings exist, thanks to growing diversity in our communities and efforts to satisfy a range of needs and interests. Though this desire to add more choice has been appropriate, unfortunately we've gone about it the wrong way.

As communities consider how to provide environments that combine rigor and relationships, school boards can help by developing a new small schools policy for their district. The policy should be two pronged: Create new small schools and redesign large schools. The two complement each other—the former is easier and helps show the possibilities of small schools; the latter is a long, difficult process but one that can make a tremendous difference in the lives of many adolescents.

### Why small schools?

New small schools can be created quickly, providing valuable incentives for innovative teachers, and changing the communities' sense of what is possible. Overwhelming evidence exists that small schools with unique intellectual missions do a much better job of supporting student success than do large schools. They

also offer students and staff the opportunity to experience a more positive school climate.

Small schools have been shown to have significantly higher graduation and college attendance rates, as well as fewer discipline and safety issues than large schools. Small schools also present a tremendous opportunity to involve the community, and examples of this can be seen across the country.

In Oakland, community members, parents, and support groups developed their own ideas for new schools. The project gave the community a voice and sense of ownership. In the Bronx, several community organizations teamed with parents and students to develop plans for 19 new small high schools.

New schools also have the potential to bring new business and community partners to the table. States such as Colorado and Utah are using technology-focused high schools as an integral part of their community development strategy. And a few cities in Washington state, including Seattle and Tacoma, are utilizing small visual and performing arts schools as part of their downtown revitalization strategies.

Finally, cost does not have to be a barrier. Like charters, most small schools operate within the same per-pupil allocation as other public schools and therefore can be created in a cost-effective manner.

### Creating small schools

In establishing this sort of initiative, districts should examine several small school models. Though there are dozens of models for new schools, only a few, until recently, addressed high schools. Today, however, a number of models for high schools exist, including schools

By Tom Vander Ark



## Small schools with unique intellectual missions do a much better job of supporting student success than do large schools.

geared toward rigorous applied learning, student-centered structure, and new pathways to college.

Schools such as High Tech High in San Diego and New Tech High in Napa, Calif., offer vocational education in a rigorous applied-learning setting. The schools combine immersion, personalization, and performance-based assessment in a high-tech environment. New Tech High's applied-learning uses a project-based model, digital portfolios, and industry partnerships to prepare students for post-secondary education.

Student-centered schools like the Metropolitan Regional Career and Technical Center (The Met) in South Providence, R.I., or the Minnesota New Country School in Henderson, Minn., tailor learning to a student's interest. The Met uses internships as the primary vehicle for student learning. This model is perfect for engaging students and is great for the 10 percent or so of students who will just not succeed in large, traditional high schools.

A third model allows students an opportunity to earn both a high school diploma and an associate's degree or college credit while in high school. Last fall the National Commission on the High School Senior Year found that the 12th-grade year is often squandered, but in this model, students can be productive as seniors. At Bard High School Early College in Brooklyn, for example, students are immersed in a coherent liberal arts curriculum while also taking college classes. They graduate with a high school diploma and an associate's degree in four years.

The three types of schools outlined above could be thought of as applied, alternative, and academic. Any of these models can prepare students for postsecondary success. One is not better than another, and together they represent the

sort of options that all students should be able to access. Many schools draw from all three designs and combine the different methods to provide a well-balanced and challenging curriculum.

### The space challenge

Once a district decides to create a small school, the next challenge is where to put it. Though many districts understand the many advantages of small schools and recognize the need for more quality options, they cannot move beyond the issue of space. There is no easy answer when it comes to creating the space needed for new schools. But small schools can be created without new construction. Small schools can be established in existing space, community space, or leased space.

Some districts use extra space in existing large schools to create smaller campuses. Bard High School Early College, for example, is located on the top floor of a junior high school. Humanities Prep in Manhattan also is located within a larger school. And Chicago's Best Practices High is located with two other schools in a former large high school. The Federal Way Preparatory Academy, near Tacoma, holds classes in six portables in a junior high parking lot.

A number of districts use abandoned buildings or rely on the generosity of the local business and arts community. The Charter School of San Diego uses donated or inexpensive satellite facilities located in office buildings and storefronts. High Tech High is in a former Navy warehouse that was converted with private sector donations. New small arts high schools in Seattle and Tacoma meet in community spaces and museums.

School districts can access various resources to help establish small schools. From community centers to old churches, districts should look in their own

backyards to find available space. The point is you have to be creative and use what you can.

### Schools of the future

The coming years will see more than 100 new small schools created, each embracing a different model but all focused on providing the rigor and relationships needed to help all students achieve. Technology-focused high schools like High Tech High will open in more than a dozen communities around the country. Alternative schools that focus on supporting each student's individual interests are gaining favor in Sacramento, Federal Way, Wash., and Minneapolis.

And in the Southeast, the nonprofit group SECME Inc. will work with historically black colleges and universities, local school districts, and other entities to create eight small early college high schools focused on math, science, and engineering. SECME is a pre-college alliance of school systems, engineering universities, and corporate/government investors who help prepare historically underrepresented students for careers in math, science, and technology.

The Middle College Consortium, which now consists of 23 sites around the country that serve at-risk high school students, will create or redesign 15 small schools in the next decade. Located on community college campuses, these schools will offer five-year programs to help students receive both an associate's degree and a high school diploma.

Districts face daunting challenges today, including improving student achievement on a shoestring budget. But a clear, coherent small schools policy can go a long way toward addressing these and other issues. By creating an array of new small schools, a board can demonstrate its commitment to ensuring that every family has access to a variety of quality educational options that prepare all students for college, work, and citizenship. It is something boards should do for students and for their community.

Tom Vander Ark is the executive director of education at the Bill & Melinda Gates Foundation in Seattle, Wash.





## Has the Big-Box Era Been Downsized?

By Alyce Lomax Posted 11:30AM 09/13/11 Company News, Home Depot, Wal-Mart Stores, Target Corp, Amazon.com, Retail, Best Buy

**Wal-Mart (WMT)**. **Best Buy (BBY)**. **Home Depot (HD)**: From sea to shining sea, big-box stores dot the landscape as pervasively as mile markers on the highway. And like those nondescript numbered signs, they give no reliable indication of which U.S. city, town, or state you're actually driving through.

But your days of living in "Generica," that land of asset-bubble-fueled cookie-cutter consumerism, may be drawing to a close.

### Smaller is Spectacular

If the number of big-box names now studying smaller store formats offers any indication, big is no longer beautiful in retail.

Former behemoth bookseller Borders is wrapping up its liquidation as we speak, and shrewd competitors such as Britain's Tesco and the United States' Trader Joe's, both nimble small-box retailers, have pushed other renowned retail giants to diminish their footprints.

Wal-Mart's strategic outlook now includes far more Lilliputian sites, where its online customers could utilize drive-thrus to pick up merchandise. (Would you like an order of Cheetos with that?) Last spring, Wal-Mart management revealed plans to debut "hundreds" of smaller stores over the next three years.

**Target (TGT)** has experimented with pop-up shops in some markets. These tiny, temporary retail locations function only for the holiday season or some other limited-time event, carrying only a handful of hot merchandise. Then one day, poof -- they're gone.

Best Buy has been working on daintier footprints of its own by reducing its stores' square footage. It's also talked up plans to open hundreds of small Best Buy Mobile shops that focus on smartphones.

Meanwhile, Best Buy Marketplace, which will include third-party sellers, represents the retailer's most recent competitive volley against online giant **Amazon.com (AMZN)**. It sounds nothing less than desperate on Best Buy's part; even if Marketplace does increase its online sales, it'll hardly do much good for the company's own bricks-and-mortar business.

The ups and downs of the last decade have made American consumers far more frugal today. They've also proved that big isn't always beautiful, especially when your company's growth depends on someone else's asset bubble. If these big-box retailers ever want to recapture the growth they once enjoyed, they may have to start getting small.

*Motley Fool analyst Alyce Lomax does not own shares of any of the companies mentioned. The Motley Fool owns shares of Wal-Mart and Best Buy. Motley Fool newsletter services have recommended buying shares of Home Depot, Wal-Mart, and Amazon.com, as well as creating a diagonal call position in Wal-Mart*